

10¢ per Copy

\$3.⁰⁰ per Year

DUN'S REVIEW

A Weekly Survey of Business Conditions
in the United States and Canada

May 14, 1927

CONTENTS

| | |
|----------------------------------|----|
| SURVEY OF PAPER TRADE..... | 7 |
| THE WEEK..... | 3 |
| GENERAL BUSINESS CONDITIONS..... | 4 |
| RECORD OF WEEK'S FAILURES..... | 8 |
| REPORTS ON COLLECTIONS..... | 9 |
| MONEY AND BANKING..... | 10 |
| THE METAL MARKETS..... | 11 |
| HIDES AND LEATHER..... | 11 |
| THE DRY GOODS MARKETS..... | 12 |
| THE SECURITIES MARKETS..... | 13 |
| QUOTATIONS OF COMMODITIES..... | 14 |

Published by
R. G. DUN & CO.
290 Broadway, New York

As subscriptions have been received in excess of the amount of Bonds offered, this advertisement appears only as a matter of record.

\$48,000,000

The Chesapeake Corporation

TWENTY-YEAR 5% CONVERTIBLE COLLATERAL TRUST BONDS

Dated May 15, 1927

Due May 15, 1947

Interest payable May 15 and November 15 in New York City

To be issued under Collateral Trust Indenture dated May 15, 1927
Guaranty Trust Company of New York, Trustee.

Redeemable by operation of the Sinking Fund and also (in amounts of not less than \$2,500,000) at the option of the Corporation, upon sixty days' published notice, on any interest date, at 100% and accrued interest.

Coupon Bonds in denomination of \$1,000, registrable as to principal. Fully registered Bonds in denominations of \$1,000, \$5,000 and \$10,000. Coupon and registered Bonds, and the several denominations of registered Bonds, interchangeable.

O. P. Van Sweringen, Esq., President of the Corporation, has summarized as follows his letter to us regarding this issue of bonds

PURPOSE OF ISSUE The Chesapeake Corporation is acquiring 600,000 shares of the Chesapeake & Ohio Railway Company common stock, a majority of which 600,000 shares has been heretofore held by a subsidiary of The New York, Chicago & St. Louis Railroad Company. In connection therewith, The Chesapeake Corporation is issuing the Bonds herein described (which will also provide working capital) and its entire capital of 900,000 shares (without par value) of common stock, of which a majority is to be distributed to the common stockholders of The New York, Chicago & St. Louis Railroad Company.

SECURITY The Bonds are to be secured under a Collateral Trust Indenture dated May 15, 1927, by the pledge thereunder of the above-mentioned 600,000 shares of Chesapeake & Ohio common stock, being one share of such stock for each \$80 principal amount of the Bonds. The Indenture will contain provisions protective of the collateral security in the event of subsequent distributions of cash, stock, property or rights upon the pledged stock, other than distributions out of earnings realized after January 1, 1927, and other than subscription rights in respect of the issue of 595,024 additional shares of Chesapeake & Ohio common stock. The Corporation may use free of the lien of the Indenture its share of such additional stock, when and as authorized. An application for authority to issue such additional shares at par for cash to Chesapeake & Ohio common stockholders at the rate of one share for each two shares held, is now pending. Based on current market quotations, the present value of the pledged stock, after deducting the estimated value of the right to subscribe for its ratable proportion of such additional shares at par, is approximately \$1,875 for each \$1,000 principal amount of Bonds.

EARNINGS OF CHESAPEAKE & OHIO The earnings per share on the common stock of The Chesapeake & Ohio Railway Company during recent years, as shown by its Annual Reports, based on the number of such shares outstanding at the end of each year and not allowing for the proposed issued referred to above, have been as follows:

| | |
|-----------|---------|
| 1922..... | \$10.07 |
| 1923..... | 12.48 |
| 1924..... | 16.78 |
| 1925..... | 21.18 |
| 1926..... | 24.64 |

Annual interest charges on this issue of Bonds will represent the equivalent of \$4 on each share of Chesapeake & Ohio stock pledged. The Chesapeake & Ohio is paying current dividends on its present common stock at the rate of \$8 per share per annum.

CONVERSION PRIVILEGE Unless earlier redeemed, the Bonds may be converted, at the option of the holders, after May 15, 1932, and until subsequent redemption or maturity, into the pledged stock. Until additional common stock shall be issued by the Chesapeake & Ohio (other than in exchange for its convertible preferred stock) the Bonds may be converted at par into the pledged stock at \$220 per share. If the Chesapeake & Ohio shall issue at par the 595,024 shares of additional common stock referred to above, thereupon the conversion price of the pledged stock will become \$180 per share. The Indenture will contain provisions protective of the conversion privilege in the event of subsequent issues of Chesapeake & Ohio common stock for cash or property or as dividends, and in the event of dividends paid by the Chesapeake & Ohio out of surplus existing January 1, 1927.

Holders of Bonds called for redemption after May 15, 1932, are to retain conversion rights up to and including the date of redemption.

SINKING FUND The Corporation will covenant in the Indenture that on July 1, 1928, and in each year thereafter, it will pay as a cumulative Sinking Fund a sum equivalent to one-half of any cash dividends in excess of 8% paid on the pledged stock during the twelve months preceding, out of earnings realized after January 1, 1927, but with minimum cash payments beginning July 1, 1930, aggregating \$900,000 per annum less 2% of the principal amount of the Bonds which shall have been retired otherwise than through the Sinking Fund. Such minimum cash payments, in connection with other provisions of the Indenture, are calculated to retire over one-half of the Bonds prior to maturity. The Indenture will contain protective provisions in respect of stock and property dividends. Sinking Fund payments are to be applied to the acquisition from the corporation or others of Bonds if obtainable at or below 100% and accrued interest, or, if not so obtainable, to the redemption at 100% and accrued interest of Bonds called by lot.

The foregoing is subject to the more complete statements contained in the circular which may be obtained upon application.

THE ABOVE BONDS ARE OFFERED FOR SUBSCRIPTION, SUBJECT TO THE CONDITIONS STATED BELOW, AT 94% AND ACCRUED INTEREST, TO YIELD NEARLY 5.50% TO MATURITY.

Subscription books will be opened at the office of J. P. Morgan & Co., at 10 o'clock A. M., Wednesday, May 11, 1927, and will be closed in their discretion. All subscriptions and payments will be received subject to the due corporate authorization and issue of the Bonds as planned, and to approval by counsel of the form and validity of related documents and proceedings. The right is reserved to reject any or all applications, and also, in any case, to allot a smaller amount than applied for.

The amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds to their order, and the date of payment (on or about May 27, 1927) will be stated in the notices of allotment. Interim Receipts, exchangeable for definitive Bonds when received, are to be delivered.

J. P. MORGAN & CO.
FIRST NATIONAL BANK

GUARANTY COMPANY OF NEW YORK
THE NATIONAL CITY COMPANY
LEE, HIGGINSON & CO.

New York, May 11, 1927.

DUN'S REVIEW

A Weekly Survey of Business Conditions in the United States and Canada

PUBLISHED BY

R. G. DUN & CO., The Mercantile Agency :: 290 BROADWAY, NEW YORK

Volume 35

Saturday, May 14, 1927

Number 1755

Subscription \$3.00 per Year : : : : European Subscription (Including Postage) \$4.00 per Year

Entered as second-class matter October 30, 1893, at the Post Office at New York, N. Y., under the act of March 3, 1879

STATISTICAL RECORD

| Latest Week: | 1927. | 1926. |
|------------------------------|-----------------|-----------------|
| Bank Clearings | \$9,201,033,000 | \$8,760,822,000 |
| †Crude Oil Output (bbls.)... | 2,506,400 | 1,994,050 |
| Freight Car Loadings..... | 1,026,440 | 995,408 |
| Failures (number) | 442 | 419 |
| Commodity Price Advances .. | 35 | 35 |
| Commodity Price Declines .. | 34 | 31 |
| Latest Month: | | |
| Merchandise Exports | \$410,000,000 | \$374,406,000 |
| Merchandise Imports | 377,000,000 | 442,899,000 |
| Building Permits | 255,846,500 | 291,998,000 |
| Pig Iron Output (tons)... | 3,422,226 | 3,450,122 |
| Unfilled Steel Tonnage.... | 3,456,132 | 3,867,976 |
| Cotton Exports (bales)... | 1,129,537 | 519,732 |
| *Cotton Consumpt'n (bales) | 694,193 | 635,896 |
| Dun's Price Index | \$182,794 | \$189,335 |
| Failures (number) | 1,968 | 1,957 |

† Daily average production.
* Domestic mill consumption.

THE WEEK

IT is easy to discern favorable features in the commercial situation, yet the first half of May brought declining activities in some directions. This is partly a normal trend, but the weather has had more than the usual influence in shaping the course of trade this Spring. Not only has the backward season in different localities prevented the best results in retail distribution, but the great Mississippi floods have been followed by tornadoes in sections of the Middle West and the Southwest, causing further interruption to business and considerable additional damage to property. Moreover, these untoward developments have been detrimental to agriculture, and they are entering more largely into the calculations of manufacturers and merchants as to the probable future tendency of conditions generally. Yet their effects will not be wholly adverse, for the work of rehabilitation and reconstruction will require large amounts of materials, and some lines are already under the stimulus of such demands. It is made evident by reports and statistics that the consumption of goods, despite the hindrances which have recently arisen, holds at a notably high level, and some of the unwholesome factors that have brought about severe reaction on certain previous occasions are lacking now. The underlying strength of the present situation has been demonstrated by the absence of serious unsettlement during a period of almost steadily falling commodity prices, with a consequent reduction of profit margins in various branches of enterprise. Even with smaller returns on individual transactions, financial statements of numerous corporations have been satisfactory, and the increase of about 7 per cent. in the number of commercial failures for the first four months of this year is not a strikingly unfavorable record, especially when the larger total of firms and individuals engaged in business is considered. Similarly, allowances should be made in viewing the decrease in building operations, for the great expansion of the last several years made some let-down inevitable. Be-

cause of its important bearing on trade as a whole, the trend in the steel industry is always watched with close attention, and in that quarter diminishing activities have lately been the rule. Such a movement, however, is not unnatural at this period, and the recession has been less marked than that which occurred a year ago. In practically every channel the policy of limiting orders to actual needs is being rigidly adhered to, and the resultant liquid state of stocks of merchandise is plainly a reassuring phase.

Ordinarily, slightly firmer conditions in the local call money market would attract little attention, but the influences which caused such a trend this week were of interest. The main factor in this movement was the public offering of nearly \$250,000,000 of new bonds, including a local municipal issue. These flotations necessitated considerable borrowing by the underwriters, while some interior banks withdrew funds from this center. Even these demands, however, did not lift the call loan rate above $4\frac{1}{2}$ per cent., and further imports of gold gave promise of the maintenance of a relatively easy money situation through the Summer. The stock market was not visibly affected by the moderate tightening of quotations for call loans, there being a broad buying power during most of the week. A number of new high price records was established in the railroad list, while sentiment among holders of oil shares was helped by the conferences held by executives of the largest companies, with a view to meeting the problems arising from an overproduction of the crude product.

There continues to be a considerable variation in the principal statistical indices. Latest returns of railroad freight traffic set a new high record for the period and are the largest for any week this year, despite the coal strike and the floods in the Mississippi Valley. The record of bank clearings, moreover, is distinctly favorable, with a gain this week of 5.0 per cent. at leading cities, and April brought the highest rate of steel output ever reported for that month. On the other hand, unfilled steel orders have declined, while permits issued last month for new building construction fell about 12 per cent. below the total for a year ago. Two other statistical barometers—failures and commodity price changes—show only moderate fluctuations. There is one more advance than decline this week in DUN's list of wholesale quotations, and the number of failures is not greatly above that of last year.

The diminished activity in the steel industry is shown in the volume of new business and in the rate of production. The latter is down to about 75 per cent. in the Pittsburgh district, and it has also fallen in Chicago territory and in the South. Yet the recession in this respect, as well as in incoming orders, is gradual, and it does not mark an un-

usual trend at this season. The further decrease in the unfilled contracts of the principal producer shows that buying continues to be very closely aligned to actual needs, and it does not obscure the fact that there still is a large and diversified consumption. Such changes in prices as occurred during the week were in an upward direction, but were limited to markets for sheets. Meantime, scrap steel at Pittsburgh has given signs of having reached a low level, but additional concessions have been made at certain other points, including Chicago.

It has lately become more evident that weather conditions have tended to retard dry goods trade in some sections. This

is especially true of retail lines, where demand has not attained a full growth because of the backward season. Yet business with several houses has been of considerable magnitude, and it remains the fact that cotton goods are moving in large volume. Reflecting the activity in that quarter, unfilled orders for standard cotton textiles reached a new high level during April. The price situation in that division, moreover, is firmer, with higher quotations met in a number of instances. The price for raw cotton has fluctuated with changing weather conditions, but rules around 15½c. at New York; both wool and silk have declined, and large receipts have depressed markets for burlaps here and abroad.

GENERAL BUSINESS CONDITIONS

Eastern States

BOSTON.—In spite of dulness in some lines and a backward Spring season, a considerable volume of business is being transacted. The sale of cotton goods has been increasing steadily. The heavy cottons are selling well, and there is an increased call for sheetings and the staple lines, but the greatest activity is found in the fine goods. All along the line, there has been a stiffening of prices and some numbers have been marked up. The recent attempts to popularize gingham have resulted in only temporary gains. Hosiery is active, but the market is weak. Cotton yarns are also firmer. Business is moderate, with the most activity in the coarser weights. The demand for men's wear continues to lead in the woolen goods market, where trade is expanding slightly.

The trend of the wool market is towards higher prices, but although there is some increase in activity, business is spotty. Carpet mills have been quite active in the market, but at present their demands appear well satisfied. Receipts of foreign wools are becoming lighter, and thus far are considerably below those of last year. Total receipts of wool to date have been 105,707,000 pounds, as compared with 149,753,000 pounds to the same date last year. Shipments also have been smaller. Aside from a good call for yarns for jersey cloth, there is very little demand for either worsted or woolen yarns. Current prices show little profit to the mills.

Hides are scarce and prices high. There is very little purchasing on the part of the tanners, though there appears to be a steady reduction of the amount of leather on hand. Advances in prices are expected, but manufacturers do not appear to have sufficient confidence to buy until they have the orders on hand, and currently these are coming in slowly, so that the market is very quiet. Retailers are waiting for warmer weather to move their stocks and, in the meantime, are placing few orders.

The demand for New England lumber has been stimulated to some extent by the expected future need of lumber in the South. There also has been a steady call for hardwoods for manufacturing purposes, though the needs of the automobile trade are diminishing. Chemicals are moving in fair volume at steady prices. Tanning materials and dyestuffs are slow. The metal trades are fairly active, but the electrical lines are quiet. Automobile sales are moderate and tires are quiet.

PHILADELPHIA.—Business was rather quiet all week, the inclement weather having a tendency to delay the placing of orders for needed merchandise. Ready-to-wear items are more in request than the staple lines of dry goods, and millinery is moving fairly well. Volume of business in the hardware line is about 5 per cent. below that of last year, but orders now are showing a stronger tone, and the season should result with an increase over the record of 1926. In the automotive equipment field, business has been fairly active. Trade in wools, noils and wastes continues rather unsatisfactory. Many manufacturing customers find it impossible to get a good price for their product, and are buying only for immediate requirements. Most merchants,

however, are looking for an improvement in the situation in the near future, as they feel that clothiers must soon come into the market for their heavyweight requirements.

Manufacturers in general are operating on increased schedules, although there is considerable variance to the reports received. Makers of paints, for instance, are slightly ahead of their output of a year ago, and manufacturers of fiber shipping boxes have recorded a gain of as much as 10 per cent. in their output, as compared with the record of a year ago. Shoe factories, on the other hand, are not quite so well occupied as they were a few weeks ago, and business in steel construction plate is slow. Rubber goods manufacturers report business in fair shape, with most mills running fairly up to capacity. Prices, unfortunately, do not show the margin of profit that should be the result of the volume of business transacted.

PITTSBURGH.—Not much change is apparent in the volume of retail trade, which is fairly active. Steady seasonable weather would doubtless help the jobbing trade, which is rather quiet, as a whole. Dry goods are about the same as last week, with orders numerous, but small. Future orders for Fall merchandise, such as bedding, underwear, and so on are being placed in fair volume. Moderate buying of men's and women's wearing apparel is noted. The shoe market is displaying little activity, with most purchases rather small, and rubber footwear is dull.

There is a fairly good demand for seasonable lines of hardware, garden implements, and builders' hardware. There is greater activity in lumber and builders' supplies. Jewelry trade is somewhat slow. Trade in groceries and provisions continues below normal. All lines are affected by the light buying of merchants located in the coal mining sections where mines are not operating, owing to the miners' strike. Collections are averaging rather slow.

Industrial operations show further slight recessions in most lines. Plate glass sales are fairly good, but window glass is inactive, and prices are very unsatisfactory. Attempts are being made to secure an increase in the tariff to offset the low prices of foreign glass. Crude oil production is at the highest rate on record, and prices are not very firm.

Production of bituminous coal still is about 40 per cent. below the rate prevailing before the strike began on April 1, but, nevertheless, it is little if any below the rate of current demand, and prices are low and unsatisfactory. Western Pennsylvania grades are quoted per net ton as follows: Steam coal, \$1.30 to \$2; coking coal, \$1.80 to \$2; gas coal, \$2; steam slack, \$1.30 to \$1.40; and gas slack, \$1.40 to \$1.50.

BUFFALO.—Movement of seasonable goods has been stimulated to some extent by warmer weather, but there is, as yet, little active demand beyond current needs. There is some activity in the buying of women's apparel, the demand being largely for the better grade of goods. Men's wear is moving fairly well. Department stores report business as a little under normal, and their hopes now are centered in warmer weather and the demand for Summer merchandise. Meanwhile, the primary markets are in a kind of listless state, and wholesalers show no disposition

to enlarge inventories. The building industry appears to be moving along on an even keel, creating a fair demand for building material and kindred lines.

Furniture and house furnishings have been moving well. Navigation has opened early, with good prospects, and lake boats are anticipating a fair season. Mail-order houses are slackening up on orders, and a falling off in this line is apparent. Groceries are moving normally, but the smaller dealer in meeting competition is making little over a modest living. The country trade is showing some improvement and buying, as a rule, in this direction is largely for replacements of staple stock.

Southern States

ST. LOUIS.—Retail business in the larger centers of population has been about on a par with last week's volume, but in the rural districts it has been hampered further by excessive rains and high water, which had, up to this week, begun to subside. Wholesale business has been on a par with that of last week, orders received being about the same, but were less than for the corresponding week last year.

Activities in most territories outside of the flooded districts have been normal, and with light stocks in the hands of retail merchants, a moderate demand for merchandise for immediate delivery is urgent. In dry goods, due to the recent advance in cotton, the primary markets on all classes of cotton goods is considerably stronger. There also is a greater disposition to anticipate Summer requirements, and with the return of normal in some of the flooded districts, a much better business is anticipated.

Houses specializing in sporting goods report a good business, but this has not been up to last year's figures. Hardware is only fair, by reason of floods, bad roads and generally inclement weather, while agricultural implements have been disappointing for the same reason. Electrical supply business has been fairly active, but the seasonal slump has set in on radio sets and supplies. Wholesale paper and stationery have been fair, but hardly up to the normal. Outdoor work in the building industry and in highway construction, which is usually fairly active by this season of the year, is still hampered by weather conditions. There is much work in contemplation, and activities will revive shortly. There is, of course, surplus of both skilled and unskilled labor in these branches.

The advance and continued firm tone of wheat has stimulated the flour trade to a moderate extent and the feeling, on the whole, is much improved as to the prospects for business for the remainder of the season. Mills with established brands are doing a steady business.

BALTIMORE.—Although unfavorable weather curtailed retail trade greatly during the week, there have been no changes of note in the general business situation. Local enameling and stamping plants are running on a 100 per cent. basis, and present bookings justify a continuance of this rate for the next several months. Glass products plants and distributors report trade better than it was last month. Operations are on a 100 per cent. schedule, and the outlook is favorable, with best buying in the East. Furniture factories are running close to capacity, and Spring trade generally is satisfactory. Confectionery manufacturers are running short time and are experiencing a seasonal dulness. Paper box plants still are busy. Wholesale paper trade continues unchanged. In this line, several local jobbers have reached a tacit agreement relative to price readjustments, with the object of inducing the printer and publisher to buy more liberally.

Distributors of sporting goods are doing a good business. Wholesale grocers are feeling the unfavorable effects of the fresh vegetable season, and the continued expansion of the chain-store systems. Millinery trade is experiencing a post-Easter relaxation. Wholesale dry goods and notion houses are doing only fair, and buying in the South is backward. Umbrella and parasol manufacturers report a substantial volume increase thus far this month over the record of the forepart of April, and plants are running about 80 per cent. The best buying is in the West.

Agricultural implement distributors are doing a fair business and hope for improvement, as soon as the weather becomes more settled. Wholesalers of tobacco products say that current trade is about normal, with the exception of

cigarettes, the demand for which is unusually heavy. Plumbing supply houses are transacting only a fair trade, but distributors of electrical goods are doing well. In both of these lines, the small margins of profit still are the subject of unfavorable comment. There has been some decline in the wholesale volume of drugs and pharmaceuticals, but outlook is fair.

Canning season is now getting under way, and interest is being centered around the spinach crop. Packers did not fare well in 1926, and it still is premature to predict this year's prospects. The Maryland crops have been affected adversely by too much rain and cool weather in April, according to the Federal Agricultural Statistician for this State. Wheat and rye are, for the most part, in fair to good condition. Not much oats has been seeded, as yet, because of the wet ground. Hay and grasses are in good condition. Plowing for corn has been delayed by rains. Southern Maryland tobacco plants are showing up well in the beds. In some localities, early potatoes are not yet up. Orchard fruits have suffered no serious damage. Strawberries are late, but prospects for a good crop still are favorable.

MEMPHIS.—With the passing of the worst of flood conditions in the upper part of the belt and more favorable weather have come a degree of optimism and bending of energies to overcome the bad situation as quickly as possible. Farm operations outside of the flooded sections have been pushed, and it is expected that planting will start just as soon as the water is off the land.

Calculating the amount of damage is as yet impossible, but relief measures are being pushed and that helps stimulate a little activity in certain lines. It is impossible to give estimates of what the acreage to cotton will be, but it is expected that the reduction will be heavy. One of the worst features is that good planting seed may be scarce, and labor will be badly disorganized.

Retail trade is improving slightly, but still is much restricted. Lumber interests have been hard hit, logging operations having been at a standstill for weeks, while much lumber has been badly damaged or lost altogether. It is not possible yet to make any calculations on the extent of losses. Values are firmer, but buying is not active.

DALLAS.—Business continues quiet in most lines, with collections slow. Merchants are very conservative in buying, but stocks are low, a very cautious attitude prevailing. The cotton counties are hard pressed for ready money, and the oil districts have felt the recent declines in crude prices.

The heavy rains and storms over a good part of the State have restricted the planting of cotton and feed crops. However, this is causing no particular alarm, as a material reduction in the cotton crop is believed necessary, and the large feed crop made last year has created a reserve that is making itself felt. Dallas bank clearings are holding up well, and building is showing some increased activity.

Western States

CHICAGO.—Business conditions may be described as fair to good for the first ten days of May, with many lines, nevertheless, reporting activities quieter than for the corresponding period of 1926. Wide interest in the proposed government flood control measures is manifested locally, the feeling being that if this huge construction program should get under way, the stimulus to Midwestern trade would be a sharp one.

The shoe industry continues one of the bright spots, locally, with sales ahead of those of last year. Retail trade is about on a level with that of early May, last year, although hampered temporarily by adverse weather. Glass dealers report an abnormally brisk demand, due to the heavy breakage in the wind and hail storms early in the week. Current wholesale distribution of dry goods is better than in the week preceding, although still below 1926 in road sales and customers in the field. Building slumped sharply for the first ten days of the month, permits being about 60 per cent. of the total for the like period last year.

Meat packing was described as fairly good, with improved demand for most grades of meat, and some little price irregularity in fresh pork. Export trade was said by a leading house to be fair. In livestock markets, cattle opened the week with a drop of 15c. to 25c., and then

firmed on Tuesday when receipts dwindled. Hogs were off 15c. to 25c. in the early trading. Butter eased in the local mercantile exchange transactions on increased receipts and slow demand, but eggs held fairly steady. Big packer hides were steady to firm, with some talk of sellers attempting higher prices.

The building material field was spotty, due largely to labor trouble with the millwork manufacturers whose mills, for the most part, shut down pending the settlement of a wage dispute. Concrete aggregates moved in good volume, a part of the stimulus coming from road-building. Wholesale coal trade was slow, while the retail lot trade improved sharply at the middle of the week, due to lower temperatures.

CINCINNATI.—General trade shows some irregular features. The average level of industrial operations is slightly below normal, but distributing trades in seasonal commodities are of fair volume, while building lines are actively engaged. There is an easing off in the electrical supply industry, and the radio business is seasonally quiet. Trade in paint and wallpaper is fairly active, while building materials and hardware items are in increasing demand. Conditions in the machine tool industry incline toward dullness, railroad buying is rather disappointing, and business from the automobile industry is less than expectations.

No appreciable improvement is noticed in the furniture trade, while household furnishings and appliances are moving with a fair degree of activity. Immediate business in the jobbing dry goods market is quiet, though orders for future shipment are in excess of those for any corresponding period for the past several years. There is a rising tendency in the price of cotton goods, in line with conditions in the primary markets. Trade in men's clothing still is backward, while women's wear is better in comparison, and the leading stores report a satisfactory volume of business stimulated by liberal advertising and special sales.

CLEVELAND.—Wholesale and retail trades show but a slight gain, on an average, some lines that registered increase being offset by others with a corresponding falling off. Lines indicating increases include furniture, carpets, draperies and other household articles, women's dresses, sweaters and underwear, jewelry, books and stationery. Lines a shade off are men's clothing and furnishings, silks and velvets, cotton dress goods, neckwear, millinery, musical instruments and a few others. Groceries range up to 10 per cent. off color. Drugs, hardware and shoes break about even. General building operations, which were slow during the first months of the year, took on added activity in April, and for the present are about up to last year's grade. Competition is keen, and factories are able to make quick deliveries. Improved weather conditions have favored the paint industry. Electrical supplies have been somewhat jerky, and the same situation prevails in the paper trade. Box-board mills are more active.

Spring weather has stimulated the agricultural implement demand to some extent, but there is a corresponding falling off in heating apparatus. Building operations have been slow getting under full swing, and the material trade has felt the reflections of this condition. Automobiles and accessories have taken on a better tone, with the advance of the season, but the situation is spotty, especially in the demand for trucks and parts. The rubber tire industry is somewhat better than it was a year ago, and the sale of mechanical goods is fair. Coal production fell off with the advent of mild weather, the demand for steam fuel being rather quiet, and the principal activity at this time being for upper lake shipments.

DETROIT.—General trade conditions locally still continue uneven, and in wholesale as well as retail quarters the tendency of buyers is along conservative lines and to supply immediate requirements. The department stores report a fairly good turnover, with prospects brightening as the season advances. With settled weather conditions, it is expected that seasonable merchandise will move with more vigor. The general volume is scarcely up to normal thus far.

Factory production continues, though in a volume somewhat less than normal and, aside from the announcement of one or two of the leading automobile manufacturers, that field thus far is without special noteworthy features, although unexpected developments may materialize later on.

Much construction work still is in process, and the season promises to be a good one in this line. Prices generally reflect little change.

ST. PAUL.—Current wholesale business of the filling-in variety is in small amounts, and sales are not equal to the total for the same period of a year ago. Commitments for Fall and Winter merchandise are being made conservatively, and are confined principally to staples. Sales in dry goods are short, when compared with those of last year, which is partially attributed to prices which are about 15 per cent. lower. The current volume in clothing, men's furnishings, hats, caps and footwear is fair. Hardware sales are nearly equal to the total of last year, and there is a steady, satisfactory demand in drugs, chemicals and oils.

KANSAS CITY.—No noticeable expansion of business has yet occurred this month. Continued wet weather in nearby trade territory has hindered usual activities incident to this period, but it has provided good subsoil moisture. Wheat territories report good crop prospects, and over the general territory livestock conditions are favorable so that, on the whole, the rural outlook is promising. Locally, there still is considerable unemployment, and building is much less active than it was during May, 1926.

Current business in groceries, hardware, drugs, tobacco, dry goods and furnishings is about the same as usual. In tires, rubber footwear, raincoats and implements some gains are shown. Livestock receipts total about the same as during the preceding week, with prices showing a little stronger.

OMAHA.—The month of April was an unusual one, and business during that period cannot be accepted as a barometer for general conditions in this territory, as heavy rains resulted in bad road conditions, practically stopping business in some sections. As a result, the month was reported unsatisfactory by a number of jobbers and retailers. This also had an effect on collections which have been slow, though during the past two weeks there has been some improvement.

During the first two weeks of May, business generally has improved and the principal department store in the city reported that its recent semi-annual weekly sale far exceeded similar sales in the past. Grocery jobbers reported fair business, the canned goods market being quiet, and are disposed to buy conservatively of futures. There has been an improved demand for agricultural implements as well as heavy hardware and repair parts, indicating activity in the country districts since weather conditions have permitted the farmers to again work in the fields. This work had been backward, but is practically caught up now, and present agricultural prospects are the most promising in years, from a standpoint of growing crops as well as seeding conditions. The present Winter wheat crop is reported above normal, this being general in all sections of Nebraska.

Jobbers of dry goods and furnishings report a good demand for novelties, but staple business has been fair. Local manufacturers of neckwear, clothing and shoes are enjoying a satisfactory business. Radio jobbers report the past season as satisfactory, though in most instances volume was slightly under that for the same period a year ago, but generally there is a decidedly encouraging outlook for the coming season. Bank deposits continue normal, while rates are easy, the average being 6 per cent. Building construction in the larger centers is quiet, with increased activity in the country districts.

Pacific States

SAN FRANCISCO.—The general business situation in this district has not changed from the outlines given during the past two weeks. If anything, the pick-up has not equaled expectations, and complaints are common, except in specialized lines. Buying is reported spotted, certain novelties and specialties showing up well, while normally staple lines are slow.

In textiles during the week there was considerable fill-in business, but jobbers report the trade buying conservatively and for immediate needs. Men's clothing for Spring and Summer is moving better, likewise hats, but furnishings are slow. Sporting goods, trunks and bags are better with the opening of the fishing season and the first signs showing of vacation travel.

Demand for structural steel is fair, cement plants are working to capacity, and in the building trades conditions are coming back to normal slowly. Money appears to be plentiful, especially for large construction work, this form of security being considered more attractive than mercantile loans.

PORTLAND.—There has been no material change in the general trend of business. Retail trade shows the effect of favorable weather conditions. Jobbers look forward to a more active demand in the late Spring and Summer, but at present, buying is along conservative lines. Bank clearings in the past month made a healthy showing, totaling \$173,464,813, a new high mark for April. This total compared with \$166,784,407 in the same month last year and \$171,403,677 two years ago.

Lumber production holds at the recent level, or about 75 per cent. of normal. By restricting the output to the current requirements of the trade, prices are being generally maintained on a firm basis. Foreign orders declined sharply during the past week, but the loss was offset by larger domestic orders from nearly all quarters. West Coast mills reported a cut of 71,977,134 feet, sold 76,699,151 feet and shipped 87,369,292 feet. Orders for rail delivery were 44,256,285 feet, domestic cargo orders totaled 23,914,324 feet, export orders 4,399,669 feet, and the local trade bought 4,128,873 feet. Unfilled orders aggregate 303,382,439 feet, a decrease of 9,629,738 feet for the week.

Wheat prices have had a sharp advance and farmers have been more disposed to take advantage of the market, but the offerings have not been equal to the needs of exporters and millers. Additional foreign business in both old and new crop wheat was reported during the week. Flour and feed prices also have advanced with a broader demand. During the past month total wheat shipments were 1,583,178 bushels, and for the season to date 27,302,436 bushels, which compares with 13,151,992 bushels forwarded in the same period last season. Flour shipments for the season have been 1,528,444 barrels, against 1,750,120 barrels last season. All North Pacific ports since the beginning of the crop year have shipped 50,794,845 bushels, or 19,140,462 bushels more than was recorded a year ago.

Damage to Winter wheat by the recent freeze is proving to be less serious than was feared and in the principal wheat counties the condition of the crop is good. Most of the Spring grain acreage is seeded, and the early sowings are coming up slowly. Fall-sown rye is heading in favored localities. The condition of the fruit crop is spotted, with frost damage shown in many places. There is a light bloom in apple orchards, and in sections in the Hood River Valley, growers do not anticipate more than 40 per cent. of the tonnage of last year.

Oregon wool is moving more freely. The largest clip in the State, about 450,000 pounds, was bought by a Philadelphia firm at 27c. Other large lots have been taken by Boston houses and local mills and speculators. Cattle receipts showed a falling off in the past month, but the run of other classes of livestock increased.

SEATTLE.—Bank clearings for April were \$200,991,217 and for the like month of 1926, \$208,417,015. Building permits totaled \$3,181,555 for April this year, against \$2,548,595 for the same month of 1926. For the first four months of the year, bank clearings aggregated \$757,535,496, and for the like period of last year \$779,621,635. Comparison of the similar periods in building show this year \$10,522,300 and last year \$12,978,945. There were 2,309 automobiles sold here in April, valued at \$1,813,195. This number of cars and their value is the largest of any month since last July.

General improvement is noted as the Spring advances in retail and wholesale business, and in those seasonal industries becoming active in the Spring. Backwardness of the weather has hindered retail sales. Seven new factories were established in Seattle in April. There were 11 located in the State. Total for the year so far is 52.

Continuation of building construction without interruption from labor is expected. Agreement between labor and building contractors on a new working contract is anticipated before the middle of this month. The five-day week demand is expected to be withdrawn by carpenters and bricklayers.

(Continued on page 15)

GENERAL PAPER TRADE BETTER

Sales Ahead of Those of a Year Ago, with Intermediate and Coarse Grades Leading Demand

THE following summary of conditions in the general paper trade was compiled from reports received from branch offices of R. G. DUN & Co.:

BOSTON.—The paper industry appears to be in a good position at the present time, and the paper and pulp mills, many of which are situated in the northern sections of New England, are doing a good business, though their activities during March were from 3 to 9 per cent. below last year's record. The pulp mills were from 3 to 5 per cent. more active during the first three months of the year, and stocks on hand are greater. Stocks of paper also have increased slightly. Imports of pulpwood from Canada show a considerable gain.

Sales of the jobbers have been a little below the record of last year, due mostly to a decrease in sales during the past six weeks. Sales have been quite evenly distributed over the different qualities of paper, but in the cheaper grades there has been a slight lowering of quotations. Twine and cordage are about 10 per cent. lower, but the prices on most grades of paper are about the same as they were last year.

It is expected that business will continue on about the same basis as at present, or with some improvement, with the total volume about the same as it was last year. Collections vary from fair to good, with a tendency to be slightly slower than they were a year ago.

FITCHBURG.—This is a producing center. The factories are operating between 90 and 100 per cent., comparing favorably with the output for this period last year. Prices have not changed materially, as yet, although there is a noted tendency toward slightly lower prices for the future.

BUFFALO.—There has been very little change in the paper situation during the last six months. Sales for the year thus far show up favorably with those for the corresponding period of one year ago, with practically no change in prices. Plants are working full capacity, and the output compares favorably with the record of one year ago.

ALBANY.—Manufacturers of paper report that in staples production during the early months of 1927 has been on a par with that for the comparative period of 1926. There has been some increase in certain specialties. No particular change is anticipated in the immediate future. Prices have been steady.

Sales during the first three months of the year were slightly in excess of the total of 1926, but showed some decline in April. The average for the four months shows practically the same turnover as during 1926. Prices appear to be well stabilized, and no change is anticipated in the near future.

BALTIMORE.—With the exception of a few subdivisions of this industry, which are about holding their own, the volume of business in the paper line for the first four months of this year is slightly in excess of that for the corresponding 1926 period. Current trade is better than business was in May of last year. The underlying conditions in the industry are fundamentally sound, but lack of briskness in several lines of activity is restraining expansion of the paper business.

Demand for the finer grades is less active at present than that for the intermediate and coarser varieties, although bond papers are selling well. Book papers are not moving so well as earlier in the season, but box-board is active and the demand for kraft is above the seasonal normal. Houses specializing in roofing papers have not been doing so well this year as they did last Fall, owing to the contraction of building operations.

Paper vessel manufacturers report trade to be somewhat below expectations at this time, due principally to unsatisfactory weather conditions. Paper bag manufacturers, on the other hand, are busy, and newsprint is active. With the exception of some paper products, principally containers and vessels, no papers are manufactured here. Most Eastern mills which supply the local market are understood to be operating about five days per week. Local wholesale distributors are carrying about normal stocks.

Prices generally continue unchanged, and they have been pretty well stabilized since the beginning of the year. Paper bags have been fluctuating somewhat, and it is understood that some Pennsylvania mills are now cutting prices. Recently paper dishes advanced about 5 per cent. Bond and wrapping papers generally are holding firm. Last February several local jobbers are said to have reached a tacit agreement to advance slightly press paper quotations, in order to encourage more liberal buying on the part of the printers and smaller publishers. A single ream now costs more but two or more reams can still be purchased at the old prices. It is said that there are not likely to be any price disturbances of consequence during the next few months.

Collections are classed as fair to good, and slightly above the seasonal normal, this situation being better than current returns in several other lines of industry. Although the outlook is not especially promising, it is generally believed to be fair.

ST. LOUIS.—Production of paper in this territory is confined nearly exclusively to roofing papers and straw-board. Output of both of these items has been fully up to the record of a year ago. Sales of general paper and paper products during the first four months of the current year were a trifle greater than those for the same period last year. In fact, the total of sales in April made the best showing of any month during the last twelve, as it was nearly 15 per cent. above the record for the same month in 1926.

Prices are firm just now, but slight reductions may be set down for some items during the early Summer months. The gain that the general volume of business has shown is expected to be maintained during the second quarter.

CHICAGO.—Conditions in this trade are spotty. Mills are understood to be running behind in sales, and are apparently well stocked. They display a tendency to make concessions on immediate shipments. Prices up to this time have been firm.

Jobbers, on the other hand, report volume of sales equal to and in some cases in excess of the total of one year ago. Prices average about the same. Stocks on hand average higher, and the same is true of book accounts. Collections are a little slower. As in other commodities, retailers have acquired the habit of purchasing for immediate needs only.

CINCINNATI.—Conditions in the paper trade are not marked by many unusual features. Prices during the year have gone to slightly lower levels, with demand about sufficient to contribute a fairly good turnover. Production fully is equal if not in excess of the normal demand, but the new uses being found for paper and paper products absorb some of the surplus.

Business is on a keen competitive basis, though regardless of the price element buying continues to be of the hand-to-mouth variety, with shipments prompt and supplies obtainable readily. Mills maintain fairly active schedules, board and felt plants practically operating full time, roofing paper showing about the normal seasonal demand, though newsprint is not so active. The volume in general is satisfactory, but profit margins are close. Collections are fair.

TOLEDO.—The large factories in this district produce box-board and straw-board and heavy fiber paper used in corrugated shipping cases and similar articles. For some time, there seems to have been an overproduction of this class of paper, with the result that prices have been weak and operations on about a 75 per cent. basis. Some mills are running on a five day a week schedule. Demand has been only fair, and while there has been talk of an increase from \$1 to \$1.20 per ton, there has been some hesitancy in putting it into effect, owing to the dull market. This is about the same condition as has existed for at least six months.

INDIANAPOLIS.—General conditions in this line of trade show no marked change in prices, and the market is steady with a very fair demand, and the outlook for the near future indicates improvement. This is particularly true of print paper. Manufacturing shows a normal output, and the general situation is satisfactory.

MINNEAPOLIS.—Wholesalers report that sales since the first of this year are about on a par with those of the corresponding months of 1926, although profits are slightly lower. Stocks throughout the Northwest are low, and merchants

are buying very conservatively, but dealers do not anticipate much improvement within the next two or three months. Prices are somewhat below those of last year, and are not likely to vary for some time to come. Collections are reported as only fair.

LOS ANGELES.—There is a better demand for paper here than there was last year. During the first quarter of 1927 sales of paper and paper products averaged around 15 per cent. higher than they did during the same months of 1926, and current demand is well up to that for May, 1926. The intermediate and cheap grades seem to be receiving the bulk of the attention, although bond papers are in fairly good request. There has been no change in prices, which now are firm, and none are anticipated in the near future. Dealers seem to be quite well supplied, and claim to be in a position to take care of any ordinary demands. Collections have been fair.

SEATTLE.—The general paper trade is about 5 per cent. below the dollar volume of business done in the first four months of last year. The level of prices is practically the same as it was in 1926 at this time. No change is foreseen. Backward Spring weather is held accountable for the decline.

Retail stores have reduced purchases and the freezing weather encountered in the fruit districts of the State has held in abeyance the placing of orders for fruit wraps, which normally are now coming in.

Board mills are running about normal, with a pick-up in business in evidence during the last two weeks. Orders are on hand for about three weeks' running. For the four months of this year, trade shows a 10 per cent. decline, as compared with that for the corresponding period of 1926.

PORTLAND.—The paper trade, while good in many of its departments, does not show a total volume equal to last year's. For the first four months of 1927, sales have been about 5 per cent. less than in the same period of 1926. The falling off is due principally to the hand-to-mouth buying that has been practiced, while chain store competition also has been a factor. Dealers regard the outlook for the season as fairly good, based on the improved lumber business prospects, and the promise of good crops generally in this territory. A gain in paper business in the next two or three months is anticipated, though it is believed the aggregate turnover for 1927 may not be so large as that of 1926. No radical changes in prices have occurred this year and the market is expected to remain steady.

Record of Week's Failures

THERE is a slight increase this week in the number of failures in the United States over last week's total, 442 defaults being reported. This compares with 431 last week, or 11 more, but it is 35 less than the 478 insolvencies of two weeks ago. Comparing with the 419 failures of this week of 1926, however, an increase of 23 appears. Except for the Pacific Coast, where there is a fairly sizeable reduction, more defaults occurred this week than last week in each geographical section, although the increases are not marked in any instance. The East alone shows a decrease from last year's figures, the increases over the totals for that period being chiefly in the South and in the West.

The number of insolvencies in Canada rose this week to 44, from 27 last week. A year ago, 37 Canadian failures were reported.

| Section | Week May 12, 1927 | | Week May 5, 1927 | | Week April 28, 1927 | | Week May 13, 1926 | |
|---------------|----------------------|-------|---------------------|-------|------------------------|-------|----------------------|-------|
| | Over \$5,000 | Total | Over \$5,000 | Total | Over \$5,000 | Total | Over \$5,000 | Total |
| East | 82 | 186 | 81 | 119 | 107 | 165 | 101 | 142 |
| South | 64 | 120 | 63 | 115 | 67 | 117 | 59 | 103 |
| West | 81 | 128 | 57 | 120 | 57 | 111 | 70 | 112 |
| Pacific | 21 | 58 | 29 | 77 | 30 | 85 | 27 | 52 |
| U. S. | 248 | 442 | 230 | 431 | 261 | 478 | 257 | 419 |
| Canada | 24 | 44 | 14 | 27 | 22 | 48 | 17 | 37 |

Linen buyers in this country have not been willing to follow advancing prices rapidly, in keeping with the rise in producing markets in the last couple of months. Domestic handlers of linens have not been pressing for much higher prices vigorously, as linen consumption has only recently been restored to pre-War proportions on many things.

NAVAL STORES TRADE IMPROVES

Season Just Closed was a Profitable One, and Outlook is Encouraging—Stocks Moderate

THE following summary of conditions in the naval stores trade was compiled from reports received from branch offices of R. G. DUN & Co.:

SAVANNAH.—The naval stores year, just closed, has been a satisfactory one to the operators and to the trade generally, although it has developed some disappointments. The year opened with price levels on a high basis, according to a special report on the trade that has just been published in *The Savannah Press*. With the advent of the new crop stuff, however, turpentine declined rapidly from 95½c. on April 1 to 81½c. on April 30.

This latter figure was not maintained and lower levels followed quickly, but the prevailing quotation during the year ranged around 80c., although it developed early in this calendar year that such a price was not justified. The year closed with turpentine at 62c. to 62½c. per gallon. In view of the prospects for an increased production during the coming season, it is questionable whether this figure can be maintained. In fact, the price of future turpentine, that is deliveries to be made during the coming Summer, now ranges around 61c.

Rosins opened the year on a basis of \$12.50 for "H" grade, but fluctuated during the greater part of the producing season somewhat below this level, and the year ends with the stated grade quoted at \$9.70. The average price levels have been profitable to the producers and the results of the year's business should have left them in a very good financial condition.

The stocks of both rosin and turpentine in this country are moderate, but there has been an accumulation of turpentine in London which has weighed heavily on the market during the past three months. For, the best foreign market for turpentine is the United Kingdom, where fully 25 per cent. of the American crop is used. It is a surprising fact, though, that the present exports of rosin to Germany are quite as great as they are to the United Kingdom.

Labor being more plentiful and, therefore, more easily controlled, the prospects indicate a slight lowering in producing costs, though to offset this the scarcity of timber and the sharp competition therefor have caused lease prices to advance to probably the highest levels known to the trade.

Price conditions for the coming year scarcely can be expected to be as favorable as they were during the past year, partially because of the substitutes for turpentine. There is a decided increase in the use of high-grade rosins in Esther gums which, unfortunately, is offset largely by some decrease in the use of the top grades by soap makers. Consumption, taken as a whole, however, is expected to be fully up to the record of last year. This cannot be expected of turpentine which has lost a fair amount of consumption to proxylin lacquers, which have taken the place of varnish in many instances where a hard surface, like automobile finish, is the consideration.

As a result of satisfactory general conditions, it is likely that the production of turpentine for the incoming season will be stimulated, and with better labor conditions there should be a larger crop.

JACKSONVILLE.—The naval stores season is just starting here. All indications point to an increase in production, as prospects are regarded as favorable for the industry. While it is thought generally that there will be a decrease in prices, this will not affect the operating interests adversely, as labor is cheaper. Taking everything into consideration, a good season is in prospect.

MOBILE.—There is reported to have been considerable increase in the crop of turpentine and rosin this year, somewhere between 5 and 10 per cent., compared with the record of last year. Due to this fact and a mild Winter, receipts at this time exceed those of last year, as the season is earlier. Prices are much lower than they were last year, but it is felt that the bottom has been reached. Therefore, every indication points to an advance in both turpentine and rosin; surely no further decline. Both domestic and foreign demand are good at present, and supply of some grades is short.

REPORTS ON COLLECTIONS

Boston.—Quite an improvement was noted in collections during the week.

Portland, Me.—There has been quite an improvement in collections, as compared with the showing of the past few weeks.

Providence.—While reports regarding slowness persist, collections are much prompter than they were a few weeks ago.

Hartford.—In general, collections still are classed as slow.

Newark.—As a whole, collections are reported fair.

Philadelphia.—The majority of reports this week show that collections are somewhat tardy.

Pittsburgh.—On an average, collections have been somewhat slow this week.

Buffalo.—Collections were a little better this week, and in general are regarded fair.

Baltimore.—The average of returns continues under the seasonal level, although there has been some betterment during the week. Slowness is confined mostly to about four lines of industry, and this fact depresses the average of all lines of industrial activity when considered collectively.

Richmond.—Collection conditions are only fair.

St. Louis.—Collections in the wholesale drug trade have been only fair, while with cigar and tobacco dealers they have been slow. With coffee and grocery houses they are good. There has been some improvement in the hardware, glass, dry goods and shoe trades from which reports of fair predominate. In the woodenware and electrical supply trades, collections continue slow.

Dallas.—There has been some improvement in collections, but the most satisfactory results were shown in those trades where considerable pressure was exerted.

Oklahoma City.—Collection conditions are improving steadily, and prospects are more favorable than for many weeks.

Jacksonville.—The majority of reports this week show that collections are slow.

New Orleans.—Collections have slowed down considerably, due to unsettled conditions caused by the flood situation.

Chicago.—Collections for the week were reported somewhat easier, and compare favorably with those for the same period of a year ago.

Cincinnati.—For the most part, collections are slow to fair, being somewhat below the season's average.

Cleveland.—There was but little improvement in collections during the week.

Detroit.—On the average, collections continue fair.

Minneapolis.—While there was some improvement in a few lines during the week, collections generally continue slow to fair.

St. Paul.—In general, collections continue fair to slow.

Kansas City.—Generally, collections are rather slow.

Omaha.—There has been quite an improvement in collections during the past two weeks.

Denver.—In this territory, collections are reported fair to slow.

San Francisco.—While still somewhat uneven, collections are showing an improvement.

Seattle.—With retail merchants collections are fair to good, while with wholesale and instalment houses they are good.

Montreal.—General collections are fairly up to the average.

Quebec.—Improvement in collections is reported in some centers, but the movement is not decidedly general, as yet.

Vancouver.—Payments in this district are not better than fair.

Coffee in Quiet Demand

THERE has been no development of note in the local spot market for coffee, quiet and featureless conditions being the rule, with buyers confining their operations as closely as possible to current requirements. A somewhat improved inquiry is reported for the better grades of Santos, supplies of which are apparently not overabundant. Holders of the qualities in most demand seem to regard themselves as being in a rather strong position and are not inclined to accept present prices, but buyers generally are reluctant to meet the advances asked by sellers, and this condition tends to restrict trading. On the other hand, a reactionary tone in Brazil causes buyers of Rios to hold off, and trading is expected to be of a hand-to-mouth nature until a considerable proportion of the new crop has been placed and less price uncertainty prevails. At the same time, consumption is steady and, while roasters as a rule limit their purchases to requirements actually in sight, current demand by distributors is responsible for a fairly substantial movement in the aggregate.

MONEY MARKET TURNS FIRMER

Call Loan Rate Rules Higher, Chiefly Because of New Financing

THE money market was distinctly firmer, with call loans quoted at 4½ per cent. a large part of the week, as against 4 per cent. in the preceding week. This was chiefly the result of the heavy volume of new financing that occurred. A total of close to \$250,000,000 of new bonds was publicly offered, necessitating a considerable volume of borrowing by the underwriters. The new issues included \$60,000,000 of New York City bonds, which were placed below a 4 per cent. yield basis for the first time in more than eighteen years, \$50,000,000 of bonds of the Erie Railroad, and \$48,000,000 of the new Chesapeake Corporation. Withdrawals by banks in the interior of the country coincided with these operations, and resulted in the hardening of the call loan rate, but the credit situation is regarded as fundamentally easy. France sent an additional \$6,000,000 of gold to New York, making \$18,000,000 on the present movement, and a total of \$38,000,000 sent here by that country since the first of the year. In spite of the higher demand money rates, time funds were easier.

There was little action in the foreign exchange market. For most of the week, the tone in the lira was firm, while sterling and the French franc were steady. Japanese yen were higher on the lifting of the moratorium and government help given to the banks. The Indian rupee advanced sharply, as a result of increased commercial demand for jute in this country.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|-----------------------|--------|--------|--------|--------|--------|--------|
| Sterling, checks.... | 4.85½ | 4.85½ | 4.85½ | 4.85½ | 4.85½ | 4.85½ |
| Sterling, cables.... | 4.85½ | 4.85½ | 4.85½ | 4.85½ | 4.85½ | 4.85½ |
| Paris, checks.... | 3.90½ | 3.90½ | 3.90½ | 3.90½ | 3.91½ | 3.91½ |
| Paris, cables.... | 3.91½ | 3.91½ | 3.91½ | 3.91½ | 3.91½ | 3.91½ |
| Berlin, checks.... | 23.69 | 23.69 | 23.65 | 23.67 | 23.67 | 23.67 |
| Berlin, cables.... | 23.70 | 23.70 | 23.66 | 23.68 | 23.69 | 23.69 |
| Antwerp, checks.... | 13.80½ | 13.80 | 13.80 | 13.89 | 13.88 | 13.88 |
| Antwerp, cables.... | 13.90½ | 13.91 | 13.90 | 13.90 | 13.90 | 13.90 |
| Lire, checks.... | 5.35½ | 5.42 | 5.40 | 5.44 | 5.42½ | 5.41½ |
| Lire, cables.... | 5.36½ | 5.43 | 5.41 | 5.45 | 5.42½ | 5.41½ |
| Swiss, checks.... | 19.22½ | 19.22½ | 19.22½ | 19.22½ | 19.21½ | 19.21½ |
| Swiss, cables.... | 19.23½ | 19.23½ | 19.23½ | 19.23½ | 19.23½ | 19.23½ |
| Gulders, checks.... | 40.01½ | 40.01½ | 40.01½ | 40.01½ | 40.00½ | 40.00½ |
| Gulders, cables.... | 40.02½ | 40.02½ | 40.02½ | 40.02½ | 40.02½ | 40.02½ |
| Pesttas, checks.... | 17.67½ | 17.66 | 17.66½ | 17.65 | 17.61 | 17.52 |
| Pesttas, cables.... | 17.68½ | 17.67 | 17.67½ | 17.66 | 17.63 | 17.54 |
| Denmark, checks.... | 26.68 | 26.68 | 26.67½ | 26.68 | 26.67 | 26.61 |
| Denmark, cables.... | 26.69 | 26.69 | 26.68½ | 26.69 | 26.74 | 26.75 |
| Sweden, checks.... | 26.74½ | 26.74 | 26.74 | 26.75 | 26.75 | 26.75 |
| Sweden, cables.... | 26.75½ | 26.75 | 26.75 | 26.75 | 26.75 | 26.75 |
| Norway, checks.... | 25.86 | 25.82 | 25.81½ | 25.82 | 25.83 | 25.83 |
| Norway, cables.... | 25.87 | 25.83 | 25.82½ | 25.83 | 25.85 | 25.83 |
| Greece, checks.... | 1.32½ | 1.32½ | 1.32 | 1.32 | 1.32½ | 1.32½ |
| Greece, cables.... | 1.33½ | 1.33½ | 1.33 | 1.33 | 1.33 | 1.32½ |
| Portugal, checks.... | 5.14 | 5.14 | 5.14 | 5.14 | ..... | ..... |
| Portugal, cables.... | 5.15 | 5.15 | 5.15 | 5.15 | ..... | ..... |
| Montreal, demand.... | 100.08 | 100.10 | 100.06 | 100.06 | 100.04 | 100.05 |
| Argentina, demand.... | 42.32 | 42.32 | 42.32 | 42.32 | 42.25 | 42.31 |
| Brazil, demand.... | 11.83 | 11.82 | 11.84 | 11.84 | 11.81 | 11.81 |
| Chili, demand.... | 12.03 | 12.02 | 12.02 | 12.02 | 12.06 | 12.06 |
| Uruguay, demand.... | 100.69 | 100.89 | 101.40 | 101.40 | 101.37 | 100.87 |

Money Conditions Elsewhere

Boston.—Total reserves at the Federal Reserve Bank decreased during the week about \$9,000,000, while the liabilities remained about the same, so that the Reserve ratio decreased from 86.9 to 83.7 per cent. Savings bank deposits are increasing steadily. Boston bank clearings this year have shown a relatively larger increase than points outside. The first four months of the year showed an increase of 5.4 per cent., while the country, as a whole, made a slight decrease, and the city nearest in the total showed a loss of 6.1 per cent. The total loans and discounts of Boston banks have declined more than the deposits during the past four months, and the banks have worked into a more liquid position, which they are maintaining. Rates continue without material change.

St. Louis.—Money is steady, with practically no change in rates. Banks are well supplied with funds, and are seeking investments, as the demands for credits from commercial and industrial sources have shown a material falling off, as compared with those of a year ago. Commercial paper is quoted at 4 to 4½ per cent., while over-the-counter loans on collateral are from 4½ to 5½ per cent., with other forms of accommodation around 6 per cent.

Memphis.—Money conditions are somewhat unsettled, as banks in the flooded areas have suffered because of such heavy losses of their customers. It is expected that the coming of capital from other sections will, in a measure, help to revive any strain therefrom.

Chicago.—Money is steady, with quotations unchanged. Commercial paper is 4 to 4½ per cent., while loans on collateral and over-the-counter loans are 4½ to 5½ per cent.

Cincinnati.—Conditions are fairly easy in the money market, with rates ranging from 5 to 6 per cent. The ruling quotation is 5½ per cent. Money was in fairly good demand during the week, and is in ample supply.

Cleveland.—Rates of interest prevailing in this district for commercial paper hold quite close to 5 to 6 per cent. The demand for money is not strong. The local Federal Reserve registered a slight decrease during the past week in its note circulation, but most other items, including discount holdings, have remained about normal in volume.

Minneapolis.—Deposits at local banks and savings institutions are quite heavy, and ample funds are available. The demand for credit accommodations increased during the week. Commercial paper is 4 to 4½ per cent., while over-the-counter and loans on collateral continue at 4½ to 6 per cent. There was an increase in deposits at the Federal Reserve Bank during the week of \$449,000, and an increase in discounts of \$492,233.

Kansas City.—Clearings for the week were a little more than those for the previous week. Commercial bank reports show deposits and loans about the same. The Federal Reserve Bank statement for the week shows a slight reduction in reserve ratio, but the principal items of the statement show no material change over those of the preceding week.

Further Gain in Bank Clearings

BANK clearings this week continue in excess of the heavy amounts reported at this time in the two immediately preceding years, the total for all leading cities in the United States of \$9,201,033,000 being 5.0 per cent. larger than last year's. The increase is mainly at New York, although some of the larger outside cities also show gains. At New York City clearings of \$5,679,000,000 are 8.5 per cent. above those of a year ago, while at leading cities outside of New York the total of \$3,522,033,000 shows a trifling loss. In addition to New York City, increases appear this week at Boston, Buffalo, Chicago, Cleveland, Cincinnati, Kansas City, Omaha, Louisville, Dallas and Los Angeles. The effects of the floods in the lower Mississippi Valley are shown in the reports from some Southern centers.

Figures for the week, and average daily bank clearings for May to date, and for preceding months, are compared herewith for three years:

| | Week May 13, 1927 | Week May 13, 1926 | Per Cent. | Week May 14, 1925 |
|---------------------|----------------------|----------------------|--------------|----------------------|
| Boston | \$523,000,000 | \$486,740,000 | + 7.4 | \$396,975,000 |
| Philadelphia | 615,000,000 | 540,000,000 | + 4.6 | 534,000,000 |
| Baltimore | 87,523,000 | 98,024,000 | -10.7 | 92,545,000 |
| Pittsburgh | 171,946,000 | 182,026,000 | -5.5 | 159,867,000 |
| Buffalo | 52,475,000 | 47,710,000 | +10.0 | 54,605,000 |
| Chicago | 755,940,000 | 734,215,000 | + 3.0 | 695,579,000 |
| Detroit | 160,698,000 | 164,085,000 | - 2.1 | 161,884,000 |
| Cleveland | 122,854,000 | 118,159,000 | + 4.0 | 114,790,000 |
| Cincinnati | 72,240,000 | 72,150,000 | + 0.1 | 69,989,000 |
| St. Louis | 136,300,000 | 149,500,000 | - 8.8 | 140,200,000 |
| Kansas City | 140,580,000 | 128,700,000 | + 9.2 | 122,100,000 |
| Omaha | 41,090,000 | 40,554,000 | + 1.3 | 42,293,000 |
| Minneapolis | 70,237,000 | 76,471,000 | - 8.2 | 82,290,000 |
| Richmond | 43,304,000 | 46,268,000 | - 6.4 | 51,049,000 |
| Atlanta | 50,558,000 | 60,159,000 | -16.0 | 62,360,000 |
| Louisville | 35,174,000 | 33,405,000 | + 5.3 | 33,089,000 |
| New Orleans | 51,531,000 | 57,527,000 | -10.9 | 52,658,000 |
| Dallas | 42,432,000 | 43,276,000 | - 2.0 | 41,060,000 |
| San Francisco | 177,600,000 | 179,300,000 | - 0.9 | 177,500,000 |
| Los Angeles | 182,180,000 | 174,723,000 | + 4.3 | 159,639,000 |
| Portland | 43,889,000 | 45,315,000 | - 3.2 | 39,876,000 |
| Seattle | 44,481,000 | 46,215,000 | - 3.8 | 40,962,000 |
| Total | \$3,522,033,000 | \$3,524,822,000 | - 0.1 | \$3,324,373,000 |
| New York | 5,679,000,000 | 5,236,000,000 | + 8.5 | 5,132,000,000 |
| Total All | \$9,201,033,000 | \$8,760,822,000 | + 5.0 | \$8,456,373,000 |
| Average Daily | | | | |
| May to date | \$1,657,074,000 | \$1,598,242,000 | + 3.7 | \$1,603,646,000 |
| April | 1,602,693,000 | 1,587,962,400 | + 0.9 | 1,438,431,000 |
| 1st Quarter | 1,654,409,000 | 1,657,622,000 | - 0.2 | 1,525,111,000 |

Decrease in Unfilled Steel Orders.—Unfilled orders on the books of the United States Steel Corporation on April 30 were 3,456,132 tons, compared with 3,553,140 tons on March 31. This is a decrease of 97,008 tons. The unfilled tonnage a year ago was 3,867,976 tons.

| Period. | 1927. | 1926. | 1925. | 1924. | 1923. |
|------------|-----------|-----------|-----------|-----------|-----------|
| Jan. | 3,800,177 | 4,882,739 | 5,037,323 | 4,708,429 | 6,910,776 |
| Feb. | 3,597,119 | 4,616,822 | 5,284,771 | 4,912,901 | 7,283,989 |
| Mar. | 3,553,140 | 4,379,935 | 4,863,564 | 4,782,807 | 7,403,332 |
| Apr. | 3,456,132 | 3,867,976 | 4,446,568 | 4,208,447 | 7,288,500 |
| May ..... | ..... | 3,649,250 | 4,049,800 | 3,628,089 | 6,981,351 |
| June ..... | ..... | 3,478,642 | 3,710,468 | 3,262,505 | 6,386,261 |
| July ..... | ..... | 3,602,522 | 3,539,467 | 3,187,072 | 5,910,763 |
| Aug. .... | ..... | 3,542,335 | 3,512,803 | 3,289,577 | 5,414,663 |
| Sept. .... | ..... | 3,593,509 | 3,717,297 | 3,473,780 | 5,035,750 |
| Oct. .... | ..... | 3,683,661 | 4,109,183 | 3,525,270 | 4,672,825 |
| Nov. .... | ..... | 3,807,447 | 4,581,780 | 4,031,969 | 4,360,584 |
| Dec. .... | ..... | 3,960,969 | 5,033,364 | 4,816,676 | 4,445,339 |

SOME TAPERING OFF IN STEEL HIDE PRICES CONTINUE HIGH

Ingot Production Drops, but Sheet and Structural Orders Maintain Fair Average

THE current rate of steel ingot production at from 70 to 80 per cent. of capacity shows a tapering off, as compared with the average for April, calculated at 4,129,952 tons by the American Iron and Steel Institute, and as compared with 4,534,926 tons in March and 4,105,799 in April last year. The total for the four months of 1927 was 16,262,161, against 16,491,677 in the same period of 1926. Approximate daily production in April was 158,844 tons for 26 working days with percentage of operation at 88.46. The average at this time with independents is probably not over 70 per cent., though sheet specifications continue at a fairly good rate, and structural awards have maintained practically the tonnage of last year.

Prices cannot be characterized as strong, but concessions are not general and sheet makers are holding to the recent advances. Specialty mills in hot and cold rolled descriptions have been obliged to meet competition in some instances and in cold-finished shafting and steel bars, unfilled orders are rather light. Structural shapes are quoted ordinarily at \$1.90, Pittsburgh, plates at \$1.85 and \$1.90, Pittsburgh, and merchant steel bars \$1.90, Pittsburgh, at the maximum.

The scrap market as a brokerage proposition, from dealer to consumer, is narrowing, as tonnages frequently are being sold from mill to mill, cutting out the middleman. At Pittsburgh, prices have eased off and heavy melting steel is not quoted above \$16 delivered, which compares with \$12.75 and \$13 at Chicago. Pig iron also is easier, though quotations in some quarters nominally held at \$19.50, Valley, for Bessemer and \$18.50, Valley, for basic. The coal strike as a strengthening factor has not materialized in fuel, and furnace coke is reported still available at \$3 at oven, Connellsville district. According to grade, foundry coke shows a range from \$4.25 to \$5.50 at oven.

Other Iron and Steel Markets

Buffalo.—Steel and iron appear to be moving along normally, with perhaps a slight slackening up on orders during the past week. Mills are not exceeding 65 per cent. of capacity, and there are but few large orders in sight. There is only a small demand for pig iron, and prices still are hovering around \$21.

Chicago.—Operations continue at the slightly lower level caused by the blowing out of an independent furnace last week, but new business in lagging somewhat, particularly in car tonnage and tank steel. Good levels are assured for May and possibly June, although the expectation is in many quarters that a further drop in operating ratio will occur in the next few weeks. Steel rail producers are nearing the end of their schedules, but a secondary buying movement is expected next month. Sales and specifications of a leading local maker were reported up to the average of the last few weeks. Specifications were said to be not quite equal to shipments. New inquiry for tank steel involved about 9,000 tons, but no awards were announced. Flood conditions led to a good demand for track accessories, about 2,700 tons of tie plates and angle irons and 2,500 legs of spikes and bolts being booked. Awards of two fair-sized car contracts, one of which was scheduled for May 14, are awaited with keen interest locally. Quoted prices were steady, although reports persisted of an easing in bars, shapes and plates. A large independent advanced steel sheets \$2 a ton, being the last to fall in line with the recent Eastern advances. Ruling prices at the beginning of the week were; Pig iron, \$20; hard steel bars, \$1.90 to \$2; soft steel bars, \$2 to \$2.10; shapes and plates, \$2 to \$2.10.

Cleveland.—The pig iron market was rather dull during April, while the iron and steel trades felt the slow demand for materials from the automobile industry earlier in the year. Sheet metal has moved slowly, but steel ingots have been more active. The demand for iron ore is not heavy, and prices hold easy.

A united convention of the American (Southern) and National (Eastern) Cotton Manufacturers' Associations was held this week at Atlantic City, where President Hines of the Cotton Textile Institute made his first broad generalization of what it seems possible for the institute to accomplish in restoring prosperity to the industry. Representatives of wholesalers, finishers and converters seeking co-operation with the manufacturers were present.

All Markets Strong and Advancing, While Calfskins Also are Buoyant

CONTINUED strength prevails in all varieties of hides and skins. A large tanning-shoe manufacturing concern cleaned up about all the available supplies of Chicago packer hides late last week at full prices for most descriptions. Following this trading, other buyers entered the market this week and took most of the offerings, which were slightly more attractive on account of early May salting being included, at a further advance of $\frac{1}{2}$ c. There is an exceptionally brisk demand for all kinds of light hides and kips, and special lots of these have brought sharp premiums.

Country hides are stronger. Straight-weight extremes, 25 to 45-pounds, sold at up to $16\frac{1}{2}$ c. for stock containing few grubs, and some Southern abattoir, kips and extremes together, extra light average, 28 pounds, brought the high figure of $17\frac{1}{2}$ c., flat, while St. Louis city all-weight hides, but very light average, 37 to 38 pounds, sold at $17\frac{1}{2}$ c., selected. There are reports that a large sole tanning corporation is purchasing country hides, owing to a scarcity of packers.

Foreign hides are also strong, especially common varieties of Latin-American drys, which are tightly sold up. There are reports that some recently arrived Antioquias, heavy average, 28 pounds, sold at a sharp advance at up to 26c. River Plate frigorificos are a shade firmer, with sales of Argentine steers at the equivalent of $17\frac{1}{2}$ c., and some Smithfields brought a little more.

Calfskins are strong and higher, but kips are the strongest end of the entire market. Packers sold northern point native kips at 19c., with some overweights at 18c. and branded at 16c., and later some overweights alone brought $18\frac{1}{2}$ c. Packers secured $20\frac{1}{2}$ c. on calf. Straight-weight Chicago cities are said to have sold at $18\frac{1}{2}$ c., and some hold at 19c. New York cities are closely sold up, with few offered and advances of 5c. to 10c. are asked over last paid prices. Veal kips, 12 to 17 pounds, are nominally not considered quotable at under \$3.25, although last confirmed sales were at \$3.15. Some offerings are up to \$3.35.

Leather More Active and Stronger

TRADING in sole leather has picked up again, according to reports of largest producers. There has been more demand from sole cutters, but shoe manufacturers have not been buying much, and the findings end remains quiet. Prices generally are quoted firm and there is no tendency to grant concessions, owing to the continued strong and advancing hide market. Finders are reported as anxious as ever for extra heavy bends and these command premiums over regular heavy stock, with up to 75c. reported secured for Swiss hide bends that run 18 pounds and over and are of extra thick substance.

In offal, there has been a little more doing in bellies, with sales of best-description stock at up to 29c. for best steers, and 27c. to 28c. for cows in oak and 26c. for cows and 27c. for steers in union. Double oak rough shoulders have weakened from top prices, which were up to 40c. to 41c. Large tanners have made recent sales at 38c.

There is a generally stronger tone to upper leather. Some large tanners' prices on large spread chrome sides are practically up another 1c., making a total increase of 3c. on these within the last five or six weeks. Splits show further strength. Some of the large tanners are now talking stronger on regular lines of black and colored calf in L.M. weights, and some schedules not formerly adhered to are now being realized. Patent continues to lead for women's footwear, not only in fine grades, but also in other lines, and some of the Brooklyn shoe plants have been taking more black kid.

Cotton Supply and Movement.—From the opening of the crop year on August 1 to May 6, according to statistics compiled by *The Financial Chronicle*, 18,073,841 bales of cotton came into sight, against 15,326,450 bales last year. Takings by Northern spinners for the crop year to May 6 were 1,673,342 bales, compared with 1,744,253 bales last year. Last week's exports to Great Britain and the Continent were 214,852 bales, against 75,101 bales last year. From the opening of the crop season on August 1 to May 6, such exports were 9,622,534 bales, against 6,917,987 bales during the corresponding period of last year.

DRY GOODS RETAILING VARIES

Wholesale Markets, However, are Holding Up
Well and Woolens are Recovering

REPORTS of a quiet trade in some retail dry goods lines are current, and they are stated to be due to backward Spring weather. There are several houses that continue to report a very fair business, in which more attractive prices figure largely. Cotton goods are moving in large volume, with production high. The wool goods division is showing some improvement. A fair volume of dealings is noted in silk goods. Burlaps have been weak and quiet. Floor covering industries, as a whole, are not fully employed.

There are evidences of the effects of disturbed conditions in coal mining and industrial centers where employment is less general. Floods along the Mississippi have disorganized some lines of trade, but have stimulated sales of goods required in caring for the thousands whose homes have been water-swept. The quieter business in various sections may be attributed to weather influences, although it is not denied that the edge is off the keen buying urge of recent years among many consumers.

A most striking phase of textile trade is the eagerness with which various divisions of different industries are seeking co-operation to meet new merchandising conditions that are limiting profits in primary and wholesale channels, even though the actual movement of textile yardage is great. Production varies materially. In cotton goods, it is 11 per cent. larger than that of a year ago, and is substantially above single-shift capacity. In wool goods, it is still a third below capacity. Hosiery and knit underwear mills are active. The finishing industry is now beginning to let up in the rush that forced night and day operation. The needle trades are irregularly employed, notably in New York and some other large centers, much of this being due to delay in ordering goods ahead for retailing.

Unfilled Cotton Goods Orders Gain

UNFILLED orders for standard cotton textiles increased at the rate of more than 1,000,000 yards a day during April and reached a new high level, according to reports for the month compiled by the Association of Cotton Textile Merchants of New York. The volume of unfilled orders on April 30 was 100.4 per cent. larger than it was on that date last year. Sales during the month were 49.1 per cent. greater than during April, last year.

Unfilled orders on April 30 amounted to 474,530,000 yards, as against 445,171,000 yards on April 1, an increase of 6.6 per cent. Production during April, 1927, totaled 237,185,000 yards, an increase of 11.9 per cent. over that of April, 1926.

Sales were 252,301,000 yards, or 106.3 per cent. of production. In April, 1926, the ratio of sales to production was 79.8 per cent. Shipments during April were 222,942,000 yards, or 94 per cent. of production. Shipments increased 17.1 per cent. over the volume in April, 1926, when the ratio to production was 89.8 per cent.

Stocks on hand April 1 amounted to 162,438,000 yards. On April 30 they were 176,681,000 yards, or 35.1 per cent. lower than on the corresponding date last year.

The reports compiled by the association are based on yardage statistics of the manufacture and sale of more than 200 classifications of standard cloths, and represent a large part of the production of these goods in the United States.

Notes of Textile Markets

Tickings were advanced $\frac{1}{2}$ c. a yard by some of the Southern mills, to a basis of 18 $\frac{1}{2}$ c. for 8-oz. staples.

Duplicate orders for men's wear have included many lines of specialties and new colors in "twist" weaves.

New Fall silks shown this week are reported by some buyers to be the finest in quality they have ever seen from American looms. Many new rayon and silk goods are offered.

Sales of print cloth yarn goods at Fall River last week reached 170,000 pieces. In the local market, sales ran substantially ahead of production, and in some houses reached the third highest total for the year.

Burlap shipments from Calcutta during April, as received by cable in local importing houses, varied from 92,000,000 yards to 102,000,000 yards to North America, and 14,000,000 yards to South America. Some houses figure on the yardage "cleared" at Calcutta, and others the actual shipments on vessels.

Firm Cotton Goods Markets

GRAY and finished cotton goods are firm, and in several instances higher prices are being paid. Tickings were advanced $\frac{1}{2}$ c. a yard, bleached cottons in 4-4 widths are selling steadily, printed goods continued to move freely and are being ordered for Fall, new rayon mixed fancies are selling freely at wholesale and retail, and more business is reported on drapery lines. Cotton duck remains dull in most divisions, with many of the larger mills occupied on contracts having some time to run. Tire fabrics are well sold, but many other auto supply materials are not so freely called for. Sheets and pillow cases are quiet.

In the wool goods division, duplicate orders have been coming forward on Fall suitings and overcoatings and mills are better employed than they were. New dress fabrics are being sampled by cutters, but orders are variable, with staples inactive. Blankets are well sold.

The continued easing in silk in Japan has been reflected in a quieter and lower market here. Silk fabrics are not selling as freely as they were a year ago, although some of the printed styles are much sought after and some crepes are still moving well.

The break in silk hosiery prices, as of July 1 deliveries, has unsettled the market, although the downward revision promised ranges only from 25c. to 40c. a dozen. Rayon underwear for men does not seem to be as popular as in women's lines, and there has been more call this Spring for balbriggans of the better grades for athletic garments than has been noted in two or three years.

Burlap markets declined during the week, both here and abroad, and purchasing was tight. Receipts are large, and shipments from Calcutta last month were above the monthly average of last year. Since the large carpet and rug auction, business has been quiet in those lines.

Daily closing quotations (cents per pound) of cotton futures in the New York market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|----------|-------|-------|-------|-------|--------|-------|
| May | 15.68 | 15.44 | 15.47 | 15.30 | 15.40 | 15.44 |
| July | 15.86 | 15.65 | 15.68 | 15.50 | 15.63 | 15.67 |
| October | 16.14 | 15.92 | 15.97 | 15.77 | 15.95 | 16.00 |
| December | 16.31 | 16.09 | 16.15 | 15.95 | 16.14 | 16.21 |
| January | 16.37 | 16.14 | 16.21 | 16.02 | ..... | ..... |

SPOT COTTON PRICES

| | Fri. May 6 | Sat. May 7 | Mon. May 8 | Tues. May 9 | Wed. May 10 | Thurs. May 11 | Fri. May 12 |
|---------------------|---------------|---------------|---------------|----------------|----------------|------------------|----------------|
| New Orleans, cents | 15.67 | 15.57 | 15.27 | 15.35 | 15.10 | 15.10 | 15.33 |
| New York, cents | 16.00 | 15.95 | 15.75 | 15.75 | 15.60 | 15.75 | 15.75 |
| Savannah, cents | 15.35 | 15.31 | 15.13 | 15.14 | 15.01 | 15.23 | 15.33 |
| Galveston, cents | 15.75 | 15.75 | 15.55 | 15.60 | 15.40 | 15.55 | 15.55 |
| Memphis, cents | 15.00 | 15.00 | 15.00 | 15.00 | 14.75 | 14.75 | 14.75 |
| Norfolk, cents | 15.38 | 15.38 | 15.19 | 15.19 | 15.00 | 15.13 | 15.13 |
| Augusta, cents | 15.13 | 15.13 | 14.88 | 15.00 | 14.81 | 14.84 | 14.84 |
| Houston, cents | 15.75 | 15.75 | 15.60 | 15.55 | 15.35 | 15.45 | 15.45 |
| Little Rock, cents | 15.30 | 15.30 | 15.00 | 15.10 | 15.00 | 15.10 | 15.10 |
| St. Louis, cents | 14.25 | 14.25 | 14.25 | 14.25 | 14.25 | 14.25 | 14.25 |
| Dallas, cents | 14.85 | 14.80 | 14.60 | 14.60 | 14.45 | 14.45 | 14.45 |
| Philadelphia, cents | 16.05 | 16.25 | 16.20 | 15.60 | 16.00 | 15.85 | 15.85 |

Grain Prices and Movement

Daily closing quotations of wheat options in the Chicago market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|-----------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| May | 1.42 $\frac{1}{2}$ | 1.44 $\frac{1}{2}$ | 1.41 $\frac{1}{2}$ | 1.41 $\frac{1}{2}$ | 1.41 $\frac{1}{2}$ | 1.42 |
| July | 1.35 $\frac{1}{2}$ | 1.37 $\frac{1}{2}$ | 1.35 $\frac{1}{2}$ | 1.35 $\frac{1}{2}$ | 1.35 $\frac{1}{2}$ | 1.36 |
| September | 1.33 $\frac{1}{2}$ | 1.34 $\frac{1}{2}$ | 1.32 $\frac{1}{2}$ | 1.32 $\frac{1}{2}$ | 1.32 $\frac{1}{2}$ | 1.33 $\frac{1}{2}$ |

Daily closing quotations of corn options in the Chicago market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|-----------|------------------|------------------|------------------|------------------|------------------|------------------|
| May | 79 $\frac{1}{2}$ | 79 $\frac{1}{2}$ | 79 $\frac{1}{2}$ | 81 $\frac{1}{2}$ | 82 | 83 $\frac{1}{2}$ |
| July | 84 $\frac{1}{2}$ | 84 $\frac{1}{2}$ | 84 | 86 $\frac{1}{2}$ | 86 $\frac{1}{2}$ | 87 $\frac{1}{2}$ |
| September | 87 $\frac{1}{2}$ | 88 | 87 $\frac{1}{2}$ | 89 $\frac{1}{2}$ | 88 $\frac{1}{2}$ | 89 $\frac{1}{2}$ |

Daily closing quotations of oats options in the Chicago market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|-----------|------------------|------------------|------------------|------------------|------------------|------------------|
| May | 48 $\frac{1}{2}$ | 48 $\frac{1}{2}$ | 48 $\frac{1}{2}$ | 48 $\frac{1}{2}$ | 49 | 49 $\frac{1}{2}$ |
| July | 49 $\frac{1}{2}$ | 49 $\frac{1}{2}$ | 48 $\frac{1}{2}$ | 49 $\frac{1}{2}$ | 49 $\frac{1}{2}$ | 50 $\frac{1}{2}$ |
| September | 46 $\frac{1}{2}$ | 46 $\frac{1}{2}$ | 45 $\frac{1}{2}$ | 46 $\frac{1}{2}$ | 46 $\frac{1}{2}$ | 46 $\frac{1}{2}$ |

Daily closing quotations of rye options in the Chicago market follow:

| | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|-----------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| May | 1.10 $\frac{1}{2}$ | 1.10 $\frac{1}{2}$ | 1.09 | 1.08 $\frac{1}{2}$ | 1.07 $\frac{1}{2}$ | 1.08 $\frac{1}{2}$ |
| July | 1.08 $\frac{1}{2}$ | 1.08 $\frac{1}{2}$ | 1.06 $\frac{1}{2}$ | 1.06 $\frac{1}{2}$ | 1.06 $\frac{1}{2}$ | 1.06 $\frac{1}{2}$ |
| September | 99 $\frac{1}{2}$ | 1.00 $\frac{1}{2}$ | 98 $\frac{1}{2}$ | 99 $\frac{1}{2}$ | ..... | ..... |

The grain movement each day is given in the following table, with the week's total, and comparative figures for last year:

| | Wheat | | Flour | | Corn | |
|-----------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Western Receipts | Atlantic Exports | Atlantic Exports | Western Receipts | Atlantic Exports | Atlantic Exports |
| Friday | 578,000 | 681,000 | 11,000 | 397,000 | ..... | ..... |
| Saturday | 595,000 | 268,000 | 20,000 | 446,000 | ..... | 17,000 |
| Monday | 834,000 | 963,000 | 18,000 | 535,000 | ..... | ..... |
| Tuesday | 515,000 | 774,000 | 18,000 | 531,000 | ..... | ..... |
| Wednesday | 547,000 | 340,000 | 8,000 | 271,000 | ..... | ..... |
| Thursday | 543,000 | 492,000 | 59,000 | 320,000 | ..... | ..... |
| Total | 3,612,000 | 3,496,000 | 134,000 | 2,303,000 | ..... | 17,000 |
| Last year | 2,964,000 | 604,000 | 105,000 | 2,774,000 | ..... | 79,000 |

PURCHASES OF STOCKS CONTINUE

Demand Centers on Railroad Shares, with Many
New High Price Records

A BROAD buying power was in evidence in the stock market this week, and prices moved to higher levels. An important factor in encouraging operations on the long side was the series of conferences held by executives of the largest oil-producing companies looking toward the solving of problems resulting from overproduction. Unfilled steel orders have fallen, but freight car loadings have continued large. Money was somewhat firmer, yet further imports of gold gave promise of easy conditions through the Summer. With few basic changes in business, stock prices on Monday developed a brisk upward movement, which continued with few interruptions throughout the week. The rails were in particular demand, with new high records in a long list that included Baltimore & Ohio, Chesapeake & Ohio, Chicago & North Western, Rock Island preferred and others. There was strength throughout a large part of the industrial and public utility groups. Hudson & Manhattan sold at a new high record for the year, and accumulation was noted in American Tobacco B, Bayuk Cigars, Endicott-Johnson, International Business Machines, American Ice, Brooklyn Edison, Colorado Fuel & Iron, Eastman Kodak and various miscellaneous issues. General Motors was well supported, and there was a strong, broad market for Hudson Motors. The formation of a new holding company, the Chesapeake Corporation, to acquire the Van Sweringen stock in Chesapeake & Ohio was regarded as bringing the Nickel Plate merger plans a step nearer to success. Dividend actions of the week included reductions in the rates of Tennessee Copper and Foundation Company.

The daily average closing quotations of sixty railway, ten industrial and five traction and gas stocks are appended:

| | Last Year | Sat. | Mon. | Tues. | Wed. | Thurs. | Fri. |
|----------------|-----------|--------|--------|--------|--------|--------|--------|
| R. R. | 87.68 | 107.64 | 108.01 | 108.08 | 108.03 | 107.95 | 108.04 |
| Indus. | 107.97 | 146.28 | 147.28 | 147.48 | 146.57 | 146.32 | 148.48 |
| Gas. & T. | 96.85 | 114.65 | 114.67 | 114.25 | 114.30 | 114.31 | 115.32 |

Daily transactions in stocks and bonds on the New York Stock Exchange compare with last year as follows:

| Week Ending May 13, 1927 | Stocks | | Bonds | |
|-----------------------------|-----------|-----------|--------------|--------------|
| | This Week | Last Year | This Week | Last Year |
| Saturday | 956,100 | 354,400 | \$9,368,000 | \$6,366,000 |
| Sunday | 1,882,500 | 1,178,800 | 13,226,000 | 9,237,000 |
| Monday | 1,661,400 | 761,100 | 14,941,000 | 12,021,000 |
| Tuesday | 1,936,700 | 981,600 | 12,371,000 | 13,106,000 |
| Wednesday | 1,761,400 | 920,300 | 12,489,000 | 10,357,000 |
| Thursday | 1,671,200 | 841,000 | 10,270,000 | 9,437,000 |
| Friday | | | | |
| Total | 9,869,300 | 5,037,200 | \$72,685,000 | \$60,526,000 |

Clothing Trade Slow in St. Louis

ST. LOUIS.—The weather during the past thirty days has been distinctly unfavorable for the retail clothing trade and this has been reflected in rather disappointing results for manufacturers and jobbers. Seasonal merchandise has been slow in moving into consumptive channels and pre-Easter shopping was considerably below expectations. Manufacturers report little reordering and, for the most part, are endeavoring to balance production with actual sales. Inventories are light in both wholesalers' and retailers' hands.

The infants' wear seems to be the most satisfactory branch of the industry. Most of the large department stores are making a specialty of infants' wear, are carrying large stocks, featuring displays and advertising special "baby" sales.

List of Investment Suggestions upon request

WELLINGTON & CO.

Members New York Stock Exchange
Members Pittsburgh Stock Exchange

31 Pine Street - - - - New York
Union Trust Bldg. - - - - Pittsburgh

More than 300,000 Men and Women Furnish Bell System Tele- phone Service



THIS carefully trained army maintains and operates the facilities of the System. It makes possible the interchange of 73,600,000 telephone conversations daily, utilizing physical properties which have a book value of more than \$2,800,000,000.

The stock of A. T. & T., parent company of the Bell System, can be bought in the open market to secure a good return. Write for booklet, "Some Financial Facts."



BELL TELEPHONE
SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK

"The People's
Messenger"



Corrected each week to Friday

neutral.

Dominion of Canada

MONTREAL.—Letters from travelers covering this district are couched in an encouraging strain, general conditions being of a more favorable character than at this time a year ago. The maple sugar crop has proved better than average, and farmers are in a cheerful mood. The peculiar weather conditions cause some apprehension that early sowings of grain might have to be repeated, but it is now reported that germination is proceeding satisfactorily.

Some lingering atmospheric chilliness has not been wholly favorable to the liquidation of retail stocks of Summer fabrics, and wholesalers of dry goods find business is some degree patchy, but the volume of sales still is showing a gain over that of last year. Recent price revisions of domestic cottons are confirmed, the average all around decline being about 10 per cent. All manufacturing plants in this line are well employed, and are making free deliveries. Knitting mills also are busy.

In the wholesale grocery trade, there have been no recent developments, the distribution being of a normal seasonable character. The late slight advance in sugars to \$6.75 for standard granulated is solidly held by all the refining companies. The export trade in cheese has opened fairly well, and first shipments by outgoing ocean steamships show some moderate gain over the figures of last year at this date.

The month has opened with some little improvement in the boot and shoe industry. The main demand is for fancy lines of women's footwear, the variety of which the manufacturer describes as almost distracting. Some moderate orders also are being booked for men's lines, and there is a fair local demand for leather, as well as some business from outside points. The hide market shows a further tendency to advance and tanners are very firm in quotations.

QUEBEC.—Activities in most lines are on the increase, and farming work is progressing satisfactorily. During the week, however, there was the usual set-back attendant upon the Provincial Government election campaign. The outlook in general, however, is encouraging, and the impression prevails that Court activities will be on a larger scale than they were last year.

VANCOUVER.—There has been no material change in the wholesale and retail situation during the past few weeks, weather conditions still being backward and unseasonal. In hardware and builders' supplies the movement is steady, although building permits for April fell slightly below those of April, 1926. Halibut fishing has suffered, owing to continued rough weather. Stocks are low and, as a consequence, prices have stiffened somewhat.

Conditions in the lumber industry are brighter, largely on account of curtailment of output by the mills, causing

stocks to be lower, and prices also are stiffening. Export orders are satisfactory, with the exception of Japan. For, the situation in China and the higher freight rates are having an adverse effect on Oriental business. Shingle mills, while not operating to full capacity, are supplying the demand, and prices of late have been better.

Reports from the Okanagan district are that indications point to a much smaller fruit crop, recent frost having done some damage, but the loss would not have been so extensive, had this district not experienced a late Spring. On the lower mainland, early garden truck suffered some loss. The mineral production for British Columbia for 1926 was valued at \$71,000,000, as against \$61,000,000 for 1925.

Trade Conditions at Newark

NEWARK.—There is little change noted in retail distribution within the past week, and improvement in any line has not been very marked, but is reported as somewhat better in wearing apparel, mainly in women's wear, including millinery, notions and dress goods. Shoes and footwear generally continue to sell well. The demand for light hardware is normal. Dealers have good demand for paints and varnishes, with more active trade. Sales of new automobiles are slightly disappointing, but trade in this line exhibits signs of improvement, though it is handicapped with the used car problem. Automobile accessories and parts continue fairly active, with prices about stationary.

The industrial section, for the time being, continues rather quiet, with some recession noted in some lines, but with moderate expansion in others, one about equalizing the other. Manufacturers of paints and varnish continue fairly well occupied, while manufacturers of leather and jewelry have only a light demand.

Construction work, including building operations, shows further expansion. Building for residential purposes in suburban areas is reasonably active, with slightly better demand for lumber and building material, though no change in price is noted. The general volume of business in all lines rather exceeds that of last year at this time. There appears to be ample funds for all needs at regular rates.

SAN FRANCISCO.—Clothing stocks in retailers' hands are large, as the pre-Easter movement was slow. Sales have been better the past two weeks, with prices tending downward. Merchant tailors are busy making up for a dull period earlier in the season.

The average price of twenty leading railroad stocks traded in on the New York Stock Exchange touched the highest point this week that has been reached since 1913.

THE NECESSITY OF CREDIT INSURANCE

☞ Credit Insurance begins when your Fire Insurance stops—when your merchandise has left the protection of your four walls and is turned into accounts.

☞ Our new Simplified protective Policy is clearly understandable. It insures all outstanding accounts against abnormal losses. The terms are liberal—yet the cost is moderate.

☞ You can't afford not to carry Credit Insurance.

Write us

The American Credit-Indemnity Co.

of New York

100 5th Avenue, New York City

511 Locust St., St. Louis

All Principal Cities

J. F. McFADDEN, President

Est. 1794

Inc. 1903

CRUIKSHANK COMPANY

Real Estate

141 BROADWAY
NEW YORK CITY

DIRECTORS:

Warren Cruikshank
William L. DeBost
Robert L. Gerry

R. Horace Gallatin
Russell V. Cruikshank
Douglas M. Cruikshank

BARROW, WADE, GUTHRIE & CO.
ACCOUNTANTS AND AUDITORS

Equitable Bldg., 120 Broadway, NEW YORK

CHICAGO—Westminster Bldg.
PHILADELPHIA—Packard Bldg.
SAN FRANCISCO—Exposition Bldg.
BOSTON—Scollay Bldg.

GLASGOW, SCOTLAND, 142 St. Vincent St.
UTICA—The Clarendon Bldg.

MONTREAL, CANADA, 13 McGill St.
LONDON, ENGLAND, 8 Frederick's Place

Burlap-laden ships are arriving fast, and within the next ten days it is expected that 60,000,000 yards will be available here, most of which has been sold. There has been an immense consumption of bags of all kinds for sand to be used in repairing and strengthening the levees along the Mississippi River.

In several divisions of the wool goods industry, although production has been cut down, prices have become more unsatisfactory, due to the pressure to sell on a slow market and to the unwillingness of buyers to seek anything save goods for immediate consumption.

Canadian building permits taken out during the first three months of 1927 aggregate \$208,000,000 in value, an increase of \$93,000,000, compared with the same period last year.

FRANK G. DEEBE, President

SAMUEL J. GRABAM, Sec'y & Treas.

GIBSON & WESSON, Inc.

INSURANCE

In All Branches

110 William Street, - NEW YORK

As subscriptions have been received in excess of the amount of Bonds offered, this advertisement appears only as a matter of record.

1755

\$50,000,000

Erie Railroad Company

REFUNDING AND IMPROVEMENT MORTGAGE 5% GOLD BONDS SERIES OF 1927

Dated May 1, 1927

Interest payable May 1 and November 1 in New York City

Due May 1, 1967

Issued under Mortgage dated December 1, 1916, to be amended by Supplemental Indenture to be dated May 1, 1927, Bankers Trust Company, New York, Trustee.

Redeemable in whole or in part, at the Company's option, upon 60 days' notice, on any interest payment date, at 105% and accrued interest.

Coupon Bonds in denominations of \$1,000 and \$500, registrable as to principal. Registered Bonds in denominations of \$1,000 and authorized multiples thereof. Coupon and registered Bonds, and the several denominations of each, interchangeable.

Issue and sale subject to authorization by the Interstate Commerce Commission and to approval of Supplemental Indenture by the Stockholders of the Company.

J. J. Bernet, Esq., President of Erie Railroad Company, has summarized as follows his letter to us regarding this issue:

ERIE RAILROAD SYSTEM The Erie Railroad System covers the so-called trunk line territory and reaches the important gateways and traffic centers of Chicago, Buffalo, Cleveland, Cincinnati and Indianapolis. Its main line from New York to Chicago is double tracked throughout except for a distance of nine miles. The total mileage operated is 2,317 miles.

PURPOSE OF ISSUE The proceeds of this issue will be applied, in part, to the payment and retirement of \$32,919,450 short-term notes and loans, including the 6% Collateral Notes held by the United States Government and those formerly held by the Director-General of Railroads, and \$10,000,000 Two-Year Secured 4½% Gold Notes which are to be called for retirement on July 1, 1927. Upon the retirement of such obligations, the Company will be entirely free from floating debt. The balance of the proceeds will be used for additions and betterments to the Company's property, to increase its working capital and for other corporate purposes.

IMPROVEMENT OF PROPERTY Since 1907, substantially the entire net income of the Company, aggregating approximately \$97,000,000, has been invested in additions and improvements, applied to the reduction of debt or added to working capital. Between June 30, 1907 and December 31, 1926, the Company's net investment in road and equipment (without deducting accrued depreciation on equipment) increased by over \$148,000,000, whereas its funded debt, including equipment trust certificates, increased by less than \$36,000,000. The improvements effected during this period have made possible a large increase in the traffic carried and a marked improvement in operating efficiency.

EARNINGS

| Years Ended Dec. 31 | Gross Operating Revenues | Income Applicable to Fixed Charges | Total Fixed Charges | Net Income |
|------------------------|-----------------------------|---------------------------------------|------------------------|-------------------|
| 1922 | \$106,874,103 | \$13,183,712* | \$14,987,214 | \$ 1,803,502 Def. |
| 1923 | 132,978,485 | 25,219,116* | 14,676,458 | 10,542,658 |
| 1924 | 119,096,886 | 24,781,924 | 15,180,295 | 9,601,629 |
| 1925 | 118,543,453 | 21,698,418 | 14,969,112 | 6,729,306 |
| 1926 | 125,473,504 | 24,927,370 | 14,813,977 | 10,113,393 |

*After eliminating debits to income caused by the adjustment of claims against the United States Government covering the Federal control and guaranty periods prior to September 1, 1920 as follows: In 1922, \$1,329,268; and in 1923, \$2,107,386.

During the five-year period covered by the above table, annual income applicable to fixed charges averaged 1.47 times total fixed charges. Income applicable to fixed charges in 1926 amounted to 1.68 times total fixed charges. Annual interest charges will be increased by less than \$715,000 by the issue of these Bonds. It is expected that the expenditure of the proceeds not required for refunding purposes will be productive of net income substantially in excess of this amount.

SECURITY

Subject to underlying mortgages securing \$195,252,300 bonds outstanding in the hands of the public, the Refunding and Improvement Mortgage covers substantially all the railroads of the Erie System, comprising about 2,185 miles of line. The Mortgage is a direct lien on 858 miles of road owned in fee and a lien upon the Company's rights by stock ownership, leasehold and otherwise in the rest of the System covered by the Mortgage. Upon the retirement of the above mentioned short-term notes and loans from the proceeds of this issue, these \$50,000,000 Bonds will be the only bonds outstanding under the Mortgage.

Subject to the prior liens of the Company's Pennsylvania Collateral Indenture and of its General Mortgage securing, respectively, \$13,140,000 4% Bonds and \$37,331,600 4% Convertible Bonds outstanding in the hands of the public, the Mortgage has a lien upon the entire capital stock of the Pennsylvania Coal Company, which has no funded debt outstanding. The Coal Company's average annual net earnings for the ten years ended December 31, 1926, were \$4,130,575, as compared with \$2,018,864, the present total annual interest charges on the prior debt secured on that Company's capital stock. The latter figure will be reduced to approximately \$1,330,000 if all the Series D General Mortgage Bonds are converted prior to the expiration of the conversion privilege on October 1, 1927, and will be further reduced to \$840,600 upon the complete retirement of the Pennsylvania Collateral Bonds, which, based on the current rate of retirement by sinking fund, should be effected by December 31, 1935.

EQUITY

The Company's capital stock, consisting of \$47,904,400 First Preferred Stock, \$16,000,000 Second Preferred Stock, and \$119,102,900 Common Stock, has an aggregate indicated market value, based on current quotations, of approximately \$102,000,000.

THE ABOVE BONDS ARE OFFERED FOR SUBSCRIPTION, SUBJECT TO THE CONDITIONS STATED BELOW, AT 9½% AND ACCRUED INTEREST, TO YIELD OVER 5.50% TO MATURITY.

Subscription books will be opened at the office of J. P. Morgan & Co. at 10 o'clock A. M., Monday, May 9, 1927, and will be closed in their discretion. The right is reserved to reject any or all applications, and also, in any case, to allot a smaller amount than applied for. All subscriptions will be received subject to the due authorization of the issue and sale of the Bonds as planned, and to approval by counsel of the form and validity of the documents and proceedings.

The amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds to their order, and the date of payment (on or about May 25, 1927) will be stated in the notices of allotment. Interim Certificates, exchangeable for definitive Bonds when received, are to be delivered.

J. P. MORGAN & CO.

FIRST NATIONAL BANK

THE NATIONAL CITY COMPANY

New York, May 9, 1927.

